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# INFORMATION REPORT

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SUBJECT Recent Developments in the Zistersdorf and  
Matzen Oil Fields

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## SOURCE

## SMV Policy and Plans

1. During the past four weeks the Soviets have cancelled construction projects and curtailed drilling operations at all of the SMV oil fields with the exception of Matzen. (1) In line with their new policy to consolidate SMV enterprises and cut down on operating expenses the Soviets are now planning to incorporate ITAG with the Muehlberg field, DEA II and Wintershall with DEA I, and Hohenrappersdorf with Aderklaa. The SMV Drilling Administration (Bohrverwaltung) will be abolished on 1 August 1950 and replaced by the Matzen, Aderklaa, and Muehlberg drilling offices. Anisimov will direct the Matzen office and Peripeltis in the Muehlberg drilling office. It is reported that about 150 non-Communists and so-called unreliable Party members will be released when this change is put into effect.

## Matzen and Aderklaa

2. SMV officials are now focussing their attention on exploratory drillings southwest of Matzen in the Marchfeld area where in recent months they have sunk three to four counter-flush wells per month. To date, however, none of these wells has proved unusually promising.
3. The SMV is still drilling 12 new wells in the Matzen field; nine of these wells are located in the vicinity of Dürnkrot, Prottes, Schoenkirchen, and Gänserndorf and three are in Aderklaa. (2) Matzen wells are still producing about 1,800 tons of crude oil per day. The combined output of two active wells at Aderklaa averages approximately 250 tons of oil per day and a third well, which produces a daily maximum of 20 tons, is now being swabbed.

DEA II

6. DEA II is now preparing to transfer two complete pump units equipped with separators and storage tanks and, within the next two months, ITAG is scheduled to transfer 12 modern derricks, each valued at 8,000 schillings, to Matzen. In order to replace these derricks which have been earmarked for transfer to Matzen, ITAG is purchasing 10 telescope-type derricks at a cost of 25,000 schillings apiece. (3)

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#### Muehlberg

5. Muehlberg production has dropped to a maximum of 1,050 tons of crude oil per day. In fact several times during the month of July 1950 Muehlberg wells produced a daily average of 950 tons. (4) SMV engineers have just installed pumps at two Muehlberg wells to boost production. Meanwhile Engr. Alt is supervising drilling operations at five sites in the Muehlberg field. The SMV is also drilling a well northwest of Herrnbaumgarten and if this well is brought into production it will be incorporated into the Muehlberg complex.
6. About two weeks ago the SMV filled the five gasoline adsorbers which were transferred to Muehlberg from Hauskirchen some time last year with an inferior grade of activated carbon which just arrived from Eastern Germany. It is reported that these adsorbers are operating at one-fifth their production capacity and now produce a maximum of six to eight tons of gasoline per day.

#### SMV Pipe Lines

7. The Soviets plan to abandon the Bernhardstal railroad siding which at one time handled an average of 500 cubic meters of oil per day and are preparing to start pumping oil directly from Muehlberg via Neusiedl to Lobau on 1 August 1950.

#### Crude Oil Shipments to Czechoslovakia

8. because of the high costs of rail transportation the SMV has stopped shipping crude oil by rail and is planning to pump oil directly to Czechoslovakia. It is reported that the Czechs are working at top speed to repair their section of the Zistersdorf-Aussig a/d Elbe pipe line.

#### Personnel

9. About 6,000 persons are employed in the Zistersdorf and Matzen oil fields at the present time. The following figures represent/estimated number of employees who are actually working on the production of petroleum in the various SMV fields:

| <u>SMV Field</u> | <u>Number of Workers Employed in the<br/>Immediate Production of Petroleum</u> |
|------------------|--|
| ITAG             | 344  |
| DEA/I            | 600  |
| DEA/II           | 350  |
| Muehlberg        | 650  |
| Matzen           | 1,000  |
| Van Sickle Co.   | 320  |
| Rohoel A.G.      | 550  |
| E.P.G.           | <u>350</u>   |
| Total            | 4,164  |

10. All SMV enterprises including the Matzen field have stopped hiring new personnel and it is reported that the SMV plans to cut its office staffs 20 percent before the end of this year. Some SMV employees believe that the SMV will retain only those workers who are active Communists or left-wing Socialists.

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12. SMV oil field workers are now paid according to the following wage groups:

| <u>Group</u> | <u>Classification of Worker</u>                             | <u>Monthly Wages in Schillings</u> |
|--------------|---|------------------------------------|
| 1            | Unskilled laborers  | 620                                |
| 2            | Transport workers and ground crews                          | 700                                |
| 3            | Workers assigned to drilling and production projects        | 760                                |
| 4            | Skilled laborers, mechanics, pipe fitters, foremen          | 840                                |
| 5            | Production foremen, drill-masters, etc.                     | 920                                |
| 6            | Engineers, i.e. trained drilling and production technicians | 1,050                              |

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(1) ~~Comment~~: According to another usually reliable source, in ~~the SMV has cancelled all exploratory drilling projects at the Matzen and Aderklaa fields. This same source reports that SMV enterprises have been forced to curtail operations owing to a critical shortage of cash which prevails throughout the entire SMV complex.~~

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25X1A (2) ~~Comment~~: For a previous report on the 12 new drillings at Matzen, cf.

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(3) ~~Comment~~: See also ~~regarding the transfer of two derricks from ITAG to Matzen in June 1950.~~

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(4) ~~Comment~~: Cf. ~~for a previous report on the decline in Muehlberg output.~~

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(5) ~~Comment~~: It is believed that the cost of operating these adsorbers far exceeds the value of the gasoline produced.

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